

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 0 2 - 1 8	2. STATE MO
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE July 1, 2002	

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 431 Subpart M	7. FEDERAL BUDGET IMPACT: a. FFY _____ \$ _____ b. FFY _____ \$ _____
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.16-205 and Attachment 4.16-206	9. PAGE NUMBER OF THE SUPERSEDES PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.16-205 and Attachment 4.16-206

10. SUBJECT OF AMENDMENT: Cooperative Agreement between the Missouri Department of Social Services, Divisions of Family Services and Medical Services and the Missouri Department of Health and Senior Services, Division of Health Standards and Licensure relating to Survey and Certification of Licensed Skilled Nursing Facilities (SNFs), Intermediate Care Facilities (ICFs), and Intermediate Care Facilities for the Mentally Retarded (ICF/MR) participating in the Medicaid program; and Cooperative Agreement between the Missouri Department of Social Services, Divisions of Family Services and Medical Services and the Missouri Department of Health and Senior Services relating to Medicaid Eligibility Determination and Personal Care and Related State Plan Services and the Medicaid Home and Community-Based Waiver for the Aged and Disabled in Missouri.

11. GOVERNOR'S REVIEW (Check One)

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL: 13. TYPE NAME: Dana Katherine Martin <i>by Christine Rackers</i> 14. TITLE: Director 15. DATE SUBMITTED: 6/26/02	16. RETURN TO:
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FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 06/27/02	18. DATE APPROVED: NOV 14 2002
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 07/01/02	20. SIGNATURE OF REGIONAL OFFICIAL: <i>Ann Heath</i>
21. TYPED NAME: Thomas W. Lenz	22. TITLE: ARA for Medicaid & State Operations
23. REMARKS: cc: Martin CO Wadner DSG/DIATA Waite	SPA CONTROL Date Submitted: 06/26/02 Date Received: 06/27/02

Substitute per letter dated 9/20/02 "

Addendum to Attachment 4.16-206
Attachment 1
Documentation of Claims
Home and Community Based Services Administration

This agreement identifies the basis upon which claims will be documented by the Department of Health and Senior Services (the "Agency") for expenditures funded by Title XIX Administration for the purposes specified under this agreement.

General Provisions:

- 1) All costs must satisfy the general provisions for allowability of costs as defined in OMB Circular A-87.
- 2) All costs must satisfy the specific provisions for allowability of costs as defined by all applicable Federal program rules.
- 3) DSS shall only reimburse the allowable Federal share specified by the program.
- 4) All matching funds supporting the billing must be consistent with applicable Federal regulations governing such funds and certified by the Agency with each billing.
- 5) Any deferrals, disallowances, questioned costs, or other items not allowed for Federal Financial participation, claimed by DSS on behalf of the Agency, shall be returned either to DSS or directly to the Federal agency (as determined by DSS) by the Agency.
- 6) Billings will be based on the actual cost incurred.

Framework:

45 CFR Part 95.507 (6) "...costs..for services provided by a governmental agency outside the State agency...will be supported by a written agreement that includes, at a minimum (i) the specific service(s) being purchased, (ii) the basis upon which the billing will be made by the provider agency (e.g. time reports, number of homes inspected, etc.) and (iii) a stipulation that the billing will be based on the actual cost incurred."

Documentation Standards – Basis Upon Which the Billings Will Be Made:

Salaries and Wages: Please refer to OMB Circular A-87, Attachment B – Selected Items of Cost, Section 11 – Support of Salaries and Wages.

Check the item(s) that apply:

 Employees will work solely on activities funded by Title XIX Administration for the purposes specified under this agreement. Employee payroll records will support the documentation requirements. The Agency agrees to periodically certify that these employees worked solely on that program for the period covered by the certification. Certifications will be prepared at least semi-annually and be maintained by the Agency for inspection by DSS or the Federal agency as they may require.

 X Employees work on multiple activities or cost objectives in addition to the activities funded by Title XIX Administration for the purposes specified under this agreement. Distribution of their salaries or wages will be supported by personnel activity reports that:

- a) reflect an after the fact distribution of the actual Title XIX Administration activity reimbursable under the purposes of this agreement of each employee, and;
- b) account for the TOTAL activity for which each employee is compensated, and;
- c) be prepared at least monthly and coincide with one or more pay periods.

and/or,

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Substitute per letter dated 9/20/02

Will be supported by a statistical sampling system or other substitute system.

[If the cost will be supported by a statistical sampling system or other substitute system, you must attach a detailed description of your allocation methodology. Any changes to that methodology implemented after execution of this agreement will require an amendment to this agreement.]

A DESCRIPTION OF THE ALLOCATION METHODOLOGY IS PROVIDED AS ATTACHMENT 2.

Expense and Equipment: Please refer to OMB Circular A-87 Attachment A, Section D, Composition of Cost, and OMB Circular A-87 Attachment B – Selected Items of Cost

Check the item(s) that apply.

X Direct costs: Costs of materials acquired, consumed, or expended benefit only Title XIX Administration for the purposes specified under this agreement.

X Allocable Costs: Cost are chargeable or assignable in part to Title XIX Administration for the purposes authorized under this agreement in accordance with relative benefits received.

[If expense and equipment items are allocable you must attach detailed description of the methodology you will utilize to assign those costs in accordance with the relative benefits received under this agreement. Any changes to that methodology implemented after execution of this agreement will require an amendment to this agreement.]

A DESCRIPTION OF THE ALLOCATION METHODOLOGY IS PROVIDED AS ATTACHMENT 2.

Automated Data Processing Costs: Please refer to 45 CFR Part 95 Subpart F.

Check the item that applies:

 Costs for automated data processing equipment and services will not be included as a direct charge to Title XIX Administration for the purposes under this interagency agreement.

X Costs for automatic data processing equipment and services will be included as a direct charge to Title XIX Administration for the purposes under this interagency agreement. We have complied with all provisions 45 CFR Part 95, Subpart F

X Direct Costs: Costs for automated data processing equipment and services will be included as a direct charge for those costs that benefit only Title XIX Administration for the purposes specified under this agreement.

X Allocable Costs: Costs for automated data processing equipment and services will be included as chargeable or assignable in part to Title XIX Administration for the purposes authorized under this agreement in accordance with relative benefits received.

[If automated data processing costs are allocable you must attach detailed description of the methodology you will utilize to assign those costs in accordance with the relative benefits received under this agreement. Any changes to that methodology implemented after execution of this agreement will require an amendment to this agreement.]

A DESCRIPTION OF THE ALLOCATION METHODOLOGY IS PROVIDED AS ATTACHMENT 2.

Indirect Costs:

Check the item that applies:

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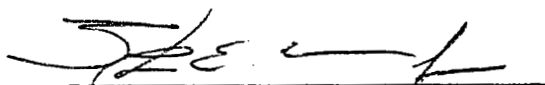
*Substitute per letter dated 9/20/02"

_____ State agency indirect costs will not be included.

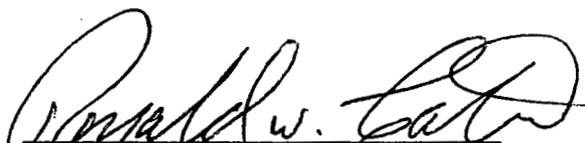
X State agency indirect costs will be included. They have been approved as evidenced by our Federally Approved Indirect Cost Negotiation Agreement.

[If indirect costs are to be included, you must attach a copy of your current Federally Approved Indirect Cost Negotiation Agreement. The annual or bi-annual changes to indirect cost rates - provided they have been approved in your Federally Approved Indirect Cost Negotiation Agreement - will be allowed and will not require an amendment to this agreement, provided that a copy of the newly approved agreement is provided to the DSS Division of Budget and Finance.]

A COPY OF THE CURRENT FEDERALLY APPROVED INDIRECT COST NEGOTIATION AGREEMENT IS ATTACHED.


Dana Katherine Martin, Director
Department of Social Services

Date 09-18-02


Ronald Cates, Interim Director
Department of Health and Senior Services

Date 09-11-02

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ATTACHMENT 2
DESCRIPTION OF THE ALLOCATION METHODOLOGY FOR SALARY-RELATED COSTS,
EXPENSE AND EQUIPMENT AND AUTOMATED DATA PROCESSING
Home and Community Based Services Administration

Salaries, Fringe benefits and Indirect costs.

Home and Community Based Services (HCBS) Staff:

- 1) Direct Salary Charges: HCBS field staff performing case management services under various federal or state-funded programs maintain personnel activity reports which reflect an after-the-fact distribution of their time by program code. A time reporting form and program-specific code descriptions are provided as Attachment 2) a).
- 2) Allocated Salary Charges: Supervisory, Clerical, HCBS Regional Office Administrative Staff and HCBS Central Office Administrative Staff maintain personnel activity reports which reflect an after-the fact distribution of their time to a non-program specific default code (code AG). HCBS field staff also utilize code AG when engaged in non-program specific activities in addition to program-specific functions. The results of code AG are distributed on the basis of the results from the program-specific codes reported by field staff performing direct case management services from 1) above.
- 3) Fringe benefits for all HCBS staff are distributed on the same basis as allocable salaries (code AG).
- 4) Indirect costs are recovered through the application of the approved indirect rate as a percentage of salaries and fringe benefits and distributed on the same basis as salaries.

Expense and Equipment:

- 1) Direct: Expense and equipment items which can be readily attributed in their entirety as a direct benefit to Title XIX Administration Program for purposes specified under this agreement will be direct charged.
- 2) Allocable: Expense and equipment items directly supporting the activities of HCBS staff which are NOT included in the indirect rate and NOT directly chargeable to the Title XIX Administration Program will be distributed on the same basis as salary code AG.

Automated Data Processing:

- 1) Direct: Personal service, fringe benefits, and expense and equipment items which can be readily attributed in their entirety as a direct benefit to the Title XIX Administration Program for purposes specified under this agreement will be direct charged. Indirect costs are recovered through the application of the approved indirect rate as a percentage of salaries and fringe benefits and distributed on the same basis as salaries.
- 2) Allocable: Personal service, fringe benefits, indirect costs and expense and equipment items directly supporting the activities of HCBS staff which are NOT included in the indirect rate and NOT directly chargeable to the Title XIX Administration Program will be distributed as outlined below.

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- a) **Line Allocations** are costs from the State Telephone Billing Systems, which are identified by location and other codes on bills. Those costs are allocated based upon the usage count of the MOCARES system and the MOHSAIC system. MOCARES records usage into functional unit (Vital Stats, Special Health Care Needs, WIC, etc.), while MOHSAIC records the usage into the Immunization and TB records. These two systems are the major systems utilized, and include usage by DHSS staff and Local Public Health Agencies at the county level.
- b) **WAN allocations** are the personal service, fringe benefits, & indirect cost of staff working specifically on the Wide-Area Network (WAN), as well as the applicable E&E costs, and are coded to reporting category Z602. The costs are allocated on the same basis as the Line allocation.
- c) **OIS allocations** are the personal service, fringe benefits, & indirect costs for administrative, clerical, and support staff in the OIS division, as well as the applicable E&E costs, and are coded to reporting category Z600. These costs are allocated based upon the personal service costs of OIS staff working directly on grants.
- d) **Network allocations** are the personal service, fringe benefits, & indirect costs of staff working specifically on the Local-Area Network (LAN), as well as the applicable E&E costs, and are coded to reporting category Z601. The costs are allocated based upon the personal services costs of all DHSS employees.

Reports:

No later than the fifteenth of the month following the quarter, the Agency will provide to DSS a report identifying the actual amount of HCBS costs and applying the methodology described above in the following form and format.

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SAMPLE TITLE XIX ADMINISTRATION CLAIM

Department of Health and Senior Services

Home and Community-Based Services (HCBS) Administration

Report for Quarter Ended: _____

Allocations

Actual Salary Costs Coded AG (Default)		\$250,000.00
Indirect Costs at Rate:	35%	\$87,500.00
E&E Not Directly Charged, Nor Included in the Indirect Rate, but Directly Supporting HCBS Staff		\$100,000.00
Fringe Benefits Actual - All HCBS Staff		<u>\$351,000.00</u>
Total Allocable Costs - HCBS		\$788,500.00

	Amount	%	Distribution
Actual Salary Costs Coded BG (Social Services Block)	\$225,000.00	31.03%	\$244,706.90
Actual Salary Costs Coded MD (Medicaid)	\$200,000.00	27.59%	\$217,517.24
Actual Salary Costs Coded MW (Medicaid Waiver)	\$150,000.00	20.69%	\$163,137.93
Actual Salary Costs Coded MY (Medicaid Waiver/Medicaid)	\$100,000.00	13.79%	\$108,758.62
Actual Salary Costs Coded TT (Older Americans Act - III)	<u>\$50,000.00</u>	6.90%	<u>\$54,379.31</u>
Total	\$725,000.00		\$788,500.00

Title XIX Administration Claim

Actual Salary Costs Coded MD (Medicaid)		\$200,000.00
Actual Salary Costs Coded MW (Medicaid Waiver)		\$150,000.00
Actual Salary Costs Coded MY (Medicaid Waiver/Medicaid)		<u>\$100,000.00</u>
Sub Total		\$450,000.00
Indirect Costs at Rate:	35%	\$157,500.00
Direct Expense and Equipment:		
Travel Directly Attributable to Title XIX Admin.		\$25,000.00
Other E&E Directly Attributable to Title XIX Admin.		\$5,000.00
Automated Data Processing Costs Direct Billings		\$10,000.00
Automated Data Processing Costs Allocated Costs		\$2,000.00
Allocated Costs (From Above):		
	MD	\$217,517.24
	MW	\$163,137.93
	MY	<u>\$108,758.62</u>
Sub Total		<u>\$489,413.79</u>

Total Title XIX Administration - HCBS

\$1,138,913.79

I certify that:

1. I am the executive officer of the state agency or his/her designate authorized by the state to submit this form.
2. This report only includes expenditures under the Medicaid program under title XIX of the Social Security Act (the Act) that are allowable in accordance with applicable implementing federal, state, and local statutes, regulations, and policies, and the state plan approved by the Secretary and in effect during the Quarter Ended indicated above under title XIX of the Act for the Medicaid Program.
3. The expenditures included in this report are based on the state's accounting of actual recorded expenditures and are not based on estimates.
4. The required amount of state and/or local funds were available and used to match the state's allowable expenditures included in this report, and such state and/or local funds were in accordance with all applicable federal regulations for the non-federal share match of expenditures.
5. The information shown above is correct to the best of my knowledge and belief.

Signature _____
Typed Name and Title _____

Date: _____

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DIVISION OF SENIOR SERVICES
LDPR Override Information

Override	Funding	Description
BGxxx	GR and SSBG	<p>State Funds/Block Grant</p> <p>Time devoted to assessment and service plan development, hotline and complaint investigation, Nursing Facility Placement, information and referral, travel and client specific paperwork for clients who are authorized for services only funded through state general revenue or social service block grant.</p>
MDxxx	Title XIX	<p>Medicaid (Title XIX)</p> <p>Time devoted to assessment and service plan development, hotline and complaint investigation, Nursing Facility Placement, information and referral, travel and client specific paperwork for clients who are authorized for Medicaid (Title XIX) services.</p> <p>Time devoted to Medicaid Pre-Admissions Screening shall always be coded to Medicaid (Title XIX).</p>
MWxxx	Title XIX Waiver	<p>Medicaid Waiver (Title XIX)</p> <p>Time devoted to assessment and service plan development, hotline and complaint investigation, Nursing Facility Placement, information and referral, travel and client specific paperwork for clients who are authorized for Medicaid Waiver (Title XIX Waiver) services.</p>
MYxxx	Title XIX & Title XIX Waiver	<p>Medicaid (Title XIX)/Medicaid Waiver (Title XIX)</p> <p>Time devoted to assessment and service plan development, hotline and complaint investigation, Nursing Facility Placement, information and referral, travel and client specific paperwork for clients who are authorized for both Medicaid (Title XIX) and Medicaid Waiver (Title XIX Waiver) services.</p>
TTxxx	Title III	<p>Older Americans Act (Title III)</p> <p>Time devoted to assessment and service plan development (including travel), information and referral, and client specific paperwork for clients who are authorized for services under the Older Americans Act (Title III).</p> <p>(ONLY to be utilized by Region 2 and Region 4.)</p>

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06/03/02

TIME SHEET

Reporting Period

Dept. ORG #

Overtime Code

Dept. ORG (Unit) Name

Employee ID #

Work Schedule

Employee Name

Attachment 2) a) - Page 2

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Substitute per letter dated 10/04/02 re

[illegible]

Employee Signature

Date

Supervisor Signature

Date

I attest the above distribution of time is a reasonable and accurate allocation of all work performed / leave taken by me during the indicated period.

I attest that I have reviewed the time reported by the employee above, who is under my supervision, and have deemed it to be reported accurately.

Substitute per letter dated 10/04/02 n

STATE AND LOCAL RATE AGREEMENT

EIN #: 1446000987B6

DATE: August 7, 2002

DEPARTMENT/AGENCY:

Missouri Department of Health & Senior Services

P.O. Box 570

Jefferson City

MO

65102-0570

FILING REF.: The preceding Agreement was dated July 11, 2000

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: INDIRECT COST RATES*

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

TYPE	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
PRED.	07/01/00	06/30/02	37.5	On Site	All Programs
PROV.	07/01/02	UNTIL AMENDED	✓ 31.3	On Site	All Programs

*BASE:

Direct salaries and wages including all fringe benefits.

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Substitute per letter dated 10/24/02 n

DEPARTMENT/AGENCY:
Missouri Department of Health & Senior Services

AGREEMENT DATE: August 7, 2002

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

Fringe benefits are specifically identified to each employee and are charged individually as direct costs. The directly claimed fringe benefits are listed below.

TREATMENT OF PAID ABSENCES:

Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims for the costs of these paid absences are not made.

Equipment Definition -

Equipment means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$1,000 or more per unit.

FRINGE BENEFITS:

FICA
Retirement
Disability Insurance
Life Insurance
Health Insurance
Worker's Compensation
Unemployment Insurance
Deferred Compensation

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"Substitute per letter dated 10/04/02"

DEPARTMENT/AGENCY:

Missouri Department of Health & Senior Services

AGREEMENT DATE: August 7, 2002

SECTION III: GENERAL

A. LIMITATIONS:

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its indirect cost pool as finally accepted: such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as indirect costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:

This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowances.

C. FIXED RATES:

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:

The rates in this Agreement were approved in accordance with the authority in Office of Management and Budget Circular A-87 Circular, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:

If any Federal contract, grant or other agreement is reimbursing indirect costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of indirect costs allocable to these programs.

BY THE DEPARTMENT/AGENCY:

Missouri Department of Health & Senior Services

(DEPARTMENT/AGENCY)

(SIGNATURE)

Peggy Honore'

(NAME)

Director, Division of Administration

(TITLE)

8-13-02

(DATE)

BY THE COGNIZANT AGENCY

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(SIGNATURE)

Henry Williams

(NAME)

DIRECTOR, DIVISION OF COST ALLOCATION-

(TITLE) CENTRAL STATES FIELD OFFICE

August 7, 2002

(DATE) 7077

HHS REPRESENTATIVE: Terri L. Lustig

Telephone: (214) 767-5362

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